Marimaca Copper Corp. (formerly Coro Mining Corp.)

Condensed Interim Consolidated Financial Statements

Three Months Ended March 31, 2020 and 2019

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3 (3)(a), if an auditor has not performed a review of the condensed interim consolidated financial statements, they must be accompanied by a notice indicating that the interim financial statements have not been reviewed by an auditor.

The accompanying unaudited condensed interim consolidated financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these unaudited condensed interim financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Marimaca Copper Corp. (formerly Coro Mining Corp.)
Condensed Interim Consolidated Statements of Financial Position
As at March 31, 2020 and December 31, 2019

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

		March 31, 2020		December 31, 2019
Assets				
Current assets				
Cash and cash equivalents	$	2,169	$	9,865
Amounts receivable and prepaid expenses (note 4)		511		582
Inventories		198		186
		2,878		10,633
Non-current assets				
Amounts receivable (note 4)		1,876		2,126
Property, plant and equipment (note 5)		16,303		16,344
Exploration and evaluation assets (note 6)		41,764		28,957
Total assets	**$**	**62,821**	**$**	**58,060**
Liabilities				
Current liabilities				
Accounts payable and accrued liabilities (note 7)	$	1,462	$	1,786
Current portion of restoration provision (note 9)		964		960
Current portion of other debt (note 8)		24,018		18,474
		26,444		21,220
Non-current portion of other debt (note 8)		2,429		-
Restoration provision (note 9)		5,339		5,314
Total liabilities		**34,212**		**26,534**
Shareholders' equity				
Common shares (note 10)		142,678		142,678
Contributed surplus		8,227		8,173
Accumulated other comprehensive income ("AOCI")		935		928
Deficit		(123,231)		(120,253)
Total equity		**28,609**		**31,526**
Total liabilities and equity	**$**	**62,821**	**$**	**58,060**

Nature of operations and going concern (note 1)
Commitments and option payments (note 16)
Subsequent events (note 17)

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

For the three months ended March 31, 2020 and 2019

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

		Three months ended March 31, 2020		Three months ended March 31, 2019
Expenses				
Exploration expenditures (note 12)	$	642	$	1,562
Care and maintenance costs		836		1,444
Depreciation and amortization		42		37
Legal and filing fees		77		39
Other corporate costs		140		118
Salaries and management fees		113		207
Share-based payments expense		54		146
Operating loss		**1,904**		**3,553**
Finance expense		842		645
Foreign exchange loss (gain)		363		(366)
Other expense (gain)		(131)		-
Loss for the period	**$**	**2,978**	**$**	**3,832**
Other comprehensive loss				
Items that may be reclassified subsequently to net income:				
Foreign currency translation adjustment		(7)		2
Comprehensive loss for the period	**$**	**2,971**	**$**	**3,834**
Attributable to:				
Owners of the parent		2,971		3,834
Non-controlling interests		-		-
Comprehensive loss for the period	$	2,971	$	3,834
Basic loss per share *	$	0.05	$	0.07
Diluted loss per share *	$	0.05	$	0.07
Weighted average shares outstanding (000's) Basic *		64,358		58,216
Weighted average shares outstanding (000's) Diluted *		64,504		58,618

***share amounts are presented on a post consolidation basis (See Note 10)**

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements

Marimaca Copper Corp. (formerly Coro Mining Corp.)

Condensed Interim Consolidated Statements of Shareholders' Equity

For the three months ended March 31, 2020 and 2019

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

	Attributable to owners of the parent					
	Shares					
	Number of shares #000's	Amount	Contributed Surplus	AOCI	Deficit	Total
Balance at December 31, 2018	58,216	$ 129,838	$ 7,935	$ 934	$ (105,710)	$ 32,997
Share-based payments (note 11)	-	-	146	-	-	146
Comprehensive loss	-	-	-	(2)	(3,832)	(3,834)
Balance at March 31, 2019	**58,216**	**$ 129,838**	**$ 8,081**	**$ 932**	**$ (109,542)**	**$ 29,309**
Balance at December 31, 2019	64,358	$ 142,678	$ 8,173	$ 928	$ (120,253)	$ 31,526
Share-based payments (note 11)	-	-	54	-	-	54
Comprehensive loss	-	-	-	7	(2,978)	(2,971)
Balance at March 31, 2020	**64,358**	**$ 142,678**	**$ 8,227**	**$ 935**	**$ (123,231)**	**$ 28,609**

The accompanying notes are an integral part of these unaudited condensed interim consolidated financial statements

Marimaca Copper Corp. (formerly Coro Mining Corp.)
Condensed Interim Consolidated Statements of Cash Flows
For the three months ended March 31, 2020 and 2019

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

		Three months ended March 31, 2020		Three months ended March 31, 2019
Cash flows from operating activities				
Loss for the period	$	(2,978)	$	(3,832)
Items not affecting cash				
Depreciation and amortization		43		37
Reversal of VAT receivable write down (note 4)		(132)		-
Interest and arrangement fees		764		666
Share-based payment expense		54		146
Accretion on debt		96		-
Accretion on retirement obligation		29		34
		(2,124)		(2,949)
Change in non-cash operating working capital				
Decrease in receivables and prepaid		452		(396)
Decrease (increase) in inventory		(12)		32
Increase (decrease) in accounts payable and accruals		(254)		(22)
	$	**(1,938)**	**$**	**(3,335)**
Cash flows from financing activities				
Other debt (note 8)		2,000		-
	$	**2,000**	**$**	**-**
Cash flows from investing activities				
Proceeds from sale of Berta Mine		-		7,650
Property, plant and equipment (note 5)		(1)		(167)
Lease payments		(26)		-
Exploration and evaluation assets- 1-23 claim (note 3)		(6,000)		-
Exploration and evaluation assets- other (note 6)		(1,737)		(2,995)
	$	**(7,764)**	**$**	**4,488**
Effect of exchange rate changes on cash		6		(1)
Increase (decrease) in cash and cash equivalents		(7,696)		1,152
Cash and cash equivalents: beginning of the period		9,865		14,496
Cash and cash equivalents: end of the period	**$**	**2,169**	**$**	**15,648**

1 Nature of operations and going concern

On May 27, 2020, Coro Mining Corp. its name to Marimaca Copper Corp. and commenced trading on the TSX under the symbol "MARI". The change of name signifies the complete focus on the development of the Company's flagship Marimaca Copper Project.

Marimaca Copper Corp, formerly known as Coro Mining Corp., (the "Company" or "Marimaca Copper") and its subsidiaries are engaged in the exploration and development of base metal projects in Chile. The Company was incorporated on September 22, 2004 and commenced activities in 2005. The Company's registered office is Suite 2610, Oceanic Plaza, 1066 West Hastings Street, Vancouver, British Columbia, Canada

The Company's principal asset is the Marimaca project, located in the Antofagasta Region of northern Chile. The Marimaca project comprises a set of claims (the "1-23 Claims"), properties 100% owned and optioned by the Company combined with the adjacent La Atómica and Atahualpa claims over which Marimaca Copper has the right to explore and exploit resources and where the most intensive exploration activities have been focused, this larger area is referred to as "Marimaca".

The Directors and management believe Marimaca has the most economic potential and in 2019 focused its exploration activities mainly on Marimaca which resulted in a significant increase to its resource estimate. In Q1 2020, the Company completed one of its main objectives which was to increase its ownership in the Marimaca project to a 100% interest. (See Note 3). In addition, the Company is expected to release a Preliminary Economic Assessment ("PEA") on Marimaca in 2020 (See Note 2).

Going concern

These unaudited condensed interim consolidated financial statements have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which contemplates the realization of assets and settlement of liabilities in the normal course of business. For the three months ended March 31, 2020, the Company reported a net loss of $3.0 million (March 31, 2019 - $3.8 million) and cash outflows from operating activities of $1.9 million (March 31, 2019 - $3.3 million). As at March 31, 2020, the Company had a working capital deficit of $23.6 million (December 31, 2019 – $10.6 million) and an accumulated deficit of $123.2 million (December 31, 2018 - $120.3 million). The Company's mineral property assets are not expected to generate any cash from operations for at least the next twelve months. Accordingly, the Company's financial condition gives rise to a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

In April 2018, the Company entered into a $12.0 million convertible financing arrangement with Greenstone Resources II L.P. ("GSII"), through one of its subsidiaries, Sociedad Contractual Minera Berta ("SCMB" or "SCM Berta"), which would convert into a 75% interest on its wholly-owned subsidiary Rising Star Copper Limited ("RSC") (See Note 8). As at March 31, 2020, the Company retains a 100% ownership in RSC and owes $12.0 million (December 31, 2019 - $12.0 million) under the convertible loan, plus accrued interest of $3.6 million (December 31, 2019 - $3.0 million). The loan has a conversion notice of August 12, 2020, a maturity date of August 17, 2020 and is a non-recourse secured loan limited to RSC and its subsidiaries.

On September 12, 2018, SCMB entered into a credit agreement with GSII for a $10.0 million secured loan ("working capital loan") for SCM Berta (See Note 8). As at March 31, 2020, the Company owes $2.0 million in principal (December 31, 2019 - $2.0 million) and $1.1 million in accrued interest and arrangement fees in respect of the working capital loan (December 31, 2019 - $$1.0 million). The loan has a maturity of August 12, 2020.

Further funds may be drawn under the working capital loan to cover interim care and maintenance expenditures and for assessing long-term development alternatives for the Nora processing facilities. The working capital loan facility is a non-recourse secured loan, which is secured by the properties associated with RSC only.

On February 14, 2020, the Company completed the acquisition of the remaining 49% interest in the 1-23 Claims, which comprise the core of the Marimaca project. Under the terms of the final option agreement, the Company agreed to pay $12.0 million, payable in three installments as follows: (i) $6.0 million payable upon signing of the definitive agreement (paid); (ii) $3.0 million on the first anniversary of the closing date: and (iii) $3.0 million on the second anniversary of the closing date. (See Note 3)

On March 5, 2020, the Company entered into a credit agreement ("working capital facility") with GSII and Tembo Capital Mining Fund II ("Tembo II") for a twelve-month $6.0 million unsecured loan to cover working capital and general operating costs (See Note 8). As at March 31, 2020, the Company has drawn $2.0 million in principal under the working capital facility and has accrued $0.06 million in interest and arrangement fees. The loan has a maturity of March 25, 2021.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, including the impact of the global coronavirus pandemic on future expenses and cash flows (See Note 2) which is at least, but not limited, to twelve months from the end of the reporting period. The Company's ability to continue operations, fund its exploration expenditures on the Marimaca project and meet its obligations as they fall due is dependent on several factors, not only on management's ability to secure additional financing in these uncertain and volatile financial markets, but on the duration of the pandemic and the restrictions put in place by various governments. It is evident that besides the delays in exploration and PEA programs, the Company is experiencing other challenges like market instability, declining of the spot price for copper and a 12% increase in the US dollar in Q1 2020. The Company continues to monitor the situation closely and is waiting for health authorities to provide additional guidance on these matters. There can be no assurance that management will be successful in raising additional financing.

As of March 31, 2020, the Company has not identified any changes in the retirement plan assumptions nor any impairment indicators for any of its assets.

The Company typically finances its activities with equity issuance and loans. Of the Company's $24.0 million in current liabilities, $20.3 million is payable to GSII, who own approximately 24.9% of the Company's issued and outstanding shares. The Company expects that cash on hand and funds that are available under its loan arrangements will allow the Company to continue its normal operations and fulfil its short and medium term financial liabilities.

These unaudited condensed interim consolidated financial statements do not give effect to adjustments that would be necessary should the Company be unable to continue as a going concern and therefore realize its assets and settle its liabilities and commitments in the normal course of business and at amounts different from those in the accompanying unaudited condensed interim financial statements. These adjustments could be material.

2 Significant estimates and accounting policies

a) Statement of compliance

These unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). These condensed interim financial statements do not contain all the required annual disclosures and should be read in conjunction with the annual consolidated financial statements of the Company as at and for the year ended December 31, 2019. All amounts are expressed in US dollars ($), unless otherwise noted. Reference to C$ are to Canadian dollars.

These unaudited condensed interim consolidated financial statements were authorized for issue by the Board of Directors on May 27, 2020.

b) Estimates, judgements and assumptions

Impact of global pandemic coronavirus ("COVID-19")
On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. To date, this virus continues to spread around the world due to its highly contagious characteristics. Strict measurements have been taken by most of the world leaders and health authorities, economies have been adversely affected, principally financial markets and workforces. On March 17, 2020, the Company started implementing safety and economic measures due to this health and economic contingency caused by COVID-19 as recommended by local government and health authorities. The Company closed its corporate office and instructed all its employees to work from home and temporary suspended: (i) all its on-ground exploration activities that were carried out at the sites; and (ii) all visits to the sites. Health and safety plans were implemented. In the following weeks, the Company implemented certain cost reduction initiatives which included layoffs, suspensions and salary reductions and a complete expense restructuring.

As the COVID-19 pandemic impact continues to affect economies, financial markets and commodity prices, it is difficult for the Company to calculate the future impact of the pandemic on its operations, therefore the management has prepared these unaudited condensed interim consolidated financial statements in conformity with IFRS that requires management to make judgements, estimates, and assumptions that affect the application of policies and reported amounts of assets and liabilities and disclosures of contingent assets and contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant accounts that required estimates and judgement as the basis for determining the stated amounts include all the financial risks (credit, currency, interest and liquidity), assessment of going concern, exploration and evaluation assets, VAT collectability, decommission and restoration provision and share-based compensation for performance.

c) Consolidation

These consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries: Minera Cielo Azul Ltda, Minera Rayrock Ltda., Inversiones Cielo Azul Ltda., RSC, Minera Coro Chile Ltda., Compañia Minera Newco Marimaca, and SCMB. All intercompany transactions, balances, income and expenses have been eliminated on consolidation.

Subsidiaries are all entities over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

3 Marimaca (1-23 Claims) Acquisition

On February 14, 2020, the Company executed the definitive agreement to acquire the remaining 49% interest in the 1-23 Claims, resulting in a 100% ownership. Under the terms of the definitive agreement, the Company agreed to pay $12.0 million in cash, payable in three instalments as follows: (i) $6.0 million upon signing of the definitive agreement; (ii) $3.0 million on the first anniversary; and (iii) $3.0 million on the second anniversary. The fair value of the $6.0 million in remaining payments was estimated to be $5.1 million using an annual discount rate of 12% for two years. Transactions costs were $0.03 million.

The sellers retain a 1.5% net smelter return royalty ("NSR") over the 1-23 Claims, with the Company retaining an option to buy-back 1% of the NSR for $4.0 million at any time up to 24 months following the commencement of commercial production from the 1-23 Claims and retains a right of first refusal over the NSR.

Also included in the transaction was an agreement to sell a set of mining claims knows as "SOR del 1 al 16" located in the Region II of Antofagasta.

The acquisition of the 1-23 Claims was classified as an asset acquisition, with the total acquisition costs allocated to the identifiable asset (i.e. the 1-23 Claims).

As at March 30, 2020, the carrying value of the 1-23 Claims (Marimaca project) is $19.5 million (December 31, 2019 - $8.1 million) and it is included in the exploration and evaluation assets on the statement of financial position.

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

a). Total cash consideration

		Total
Marimaca 1-23 claims		12,213
Cash to purchase 51% interest (note 6)	185	
Cash to purchase 49% interest (note 6)	6,000	
Outstanding debt to acquire 49% interest (note 8)	6,000	
Payable transaction costs	28	
SOR del 1-16 claims		
Cash received		(1)
Total purchase consideration		**12,212**

b) The purchase price allocated to the identifiable assets

		Total
Non-current assets		
Marimaca 1-23 claims		**19,290**
Fair value of cash to purchase 51% interest (note 6)	185	
Fair value of total payments to acquire 49% interest (note 6)	11,096	
Accumulated deferred exploration expenses	8,009	
SOR del 1-16 claims		
Fair value of cash received		(1)
Total net identifiable asset acquired as at February 14, 2020		**19,289**
Other deferred exploration expenses 1-23 claim		230
Total net identifiable asset acquired as at March 31, 2020 (note 6)		**19,519**

4 Amounts receivable and prepaid expenses

	March 31, 2020	December 31, 2019
Prepaid expenses and other receivables	2,079	2,400
Environmental bond	308	308
Total amounts receivable and prepaid expenses	**2,387**	**2,708**
Non-current portion	(1,876)	(2,126)
Current portion	**511**	**582**

Up until October 1, 2015, the Company had been fully providing for Chilean VAT. As a result of the acquisition of the Nora Plant early in 2016, the Company was able to recover VAT receivables by offsetting against VAT payables on the sales of copper cathode. On February 8, 2019, the Berta Mine was sold and as a result, the future recoverability of VAT receivables will depend upon the Company's ability to produce copper from the Nora plant. Currently, management is considering development alternatives for the Nora plant, but any alternative is not expected to result in any VAT recoveries until 2021. Consequently, the Company has recorded a write-down of $0.13 million to adjust for the uncertainty relating to the timing and recoverability of the VAT receivable as at March 31, 2020. The carrying value of the VAT receivable as at March 31, 2020 is $1.9 million (December 31, 2019 - $2.1 million).

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

5 Property, plant and equipment

	Berta asset *	Nora plant	Ivan plant	Other	Construction in progress	Total
Cost						
January 1, 2019	9,450	4,600	10,693	378	282	25,403
Disposals	(9,450)	-	-	-	-	(9,450)
Revaluation of restoration provision (note 9)	-	26	524	-	-	550
Transfers	-	-	-	282	(282)	-
Additions	-	-	-	193	-	193
December 31, 2019	-	**4,626**	**11,217**	**853**	-	**16,696**
Additions	-	-	-	1	-	1
March 31, 2020	-	**4,626**	**11,217**	**854**	-	**16,697**
Accumulated depreciation						
January 1, 2019	-	-	-	(118)	-	(118)
Depreciation	-	-	-	(234)	-	(234)
December 31, 2019	-	-	-	(352)	-	(352)
Depreciation	-	-	-	(42)	-	(42)
March 31, 2020	-	-	-	**(394)**	-	**(394)**
Net book value						
January 1, 2019	9,450	4,600	10,693	260	282	25,285
December 31, 2019	-	4,626	11,217	501	-	16,344
March 31, 2020	-	**4,626**	**11,217**	**460**	-	**16,303**

* Berta asset includes Berta mineral property, Mine development and facilities

Berta asset

None of the Berta operational assets, including the Nora plant, have been depreciated as the Company has yet to achieve commercial production. On October 16, 2018, the Company announced that the Berta mine would be placed on care and maintenance and on February 8, 2019, the Company sold the Berta mineral property and facilities.

Nora plant

In December 2018, the Company concluded that an impairment indicator existed in respect of the Nora plant. The key assumption was that it would be used to process ore from deposits in close proximity to the plant, such as the Company's El Jote project. As at December 31, 2018, the Company recognized an impairment charge of $10.8 million, reducing the carrying value of the Nora plant to $4.6 million. In determining the fair value, the Company considered the original acquisition cost, future uses and the current operating conditions of the plant. In 2019, the Company placed the plant on care and maintenance and in Q1 2020 expensed a total of $0.2 million in costs (Q1 2019 - $1.2 million).

In June 2019, the Company submitted an Environmental Impact Declaration ("DIA") to obtain approval from the Chilean authorities for the extension of the operational life of the Nora plant. The Company has provided all the responses to queries from the Chilean authorities. In March 2020, the DIA for the Nora plant was approved and awarded to the Company. The Company will have to submit the corresponding sectorial permits to support the future operation and provide an update to the closure plan for the Nora plant.

Ivan plant

The Ivan plant was purchased in June 2017 with the intention of processing ore from the Marimaca property. Currently, the plant is not operative and will be kept on care and maintenance until it is necessary to start commissioning and testing. In Q1 2020, the Company expensed a total of $0.6 million (Q1 2019 - $0.3 million) in care maintenance cost for the plant and has a carrying value of $11.2 million at the end of March 31, 2020 (December 31, 2019 - $11.2 million).

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

6 Exploration and evaluation assets

	Marimaca Properties						Others	
	MC	MD	LA	ATA	O&C	Ll&M	El Jote	Total
Balance- January 1, 2019	**7,047**	**389**	**4,176**	**7,692**	**218**	**-**	**646**	**20,168**
Exploration and evaluation costs	1,074	-	1,858	4,487	-	-	-	7,419
Property acquisition costs	-	-	500	400	300	55	115	1,370
Balance at December 31, 2019	**8,121**	**389**	**6,534**	**12,579**	**518**	**55**	**761**	**28,957**
Exploration and evaluation costs	303	40	19	132	-	-	-	494
Property acquisition costs (Note 3)	11,096	-	500	200	400	-	117	12,313
Balance at March 31, 2020	**19,520**	**429**	**7,053**	**12,911**	**918**	**55**	**878**	**41,764**

a) Marimaca property, Chile

Marimaca claims ("MC")
In August 2014, subsequently amended in April 2017 and September 2019, the Company entered into an agreement to acquire up to a 75% interest in the Marimaca copper oxide prospect, the 1-23 Claims. By paying $0.185 million ($0.06 million paid); and $0.125 million upon completion of an NI 43-101 compliant resource estimate and engineering study that demonstrates the technical and economic feasibility of producing a minimum of 1,500tpy of copper cathode. In June 2018, the Company published the Marimaca definitive feasibility study under NI 43-101 guidelines and consequently earned a 51% interest in the 1-23 Claims which are the central area of the concession package that makes up the greater Marimaca Project.

Under the agreement, the Company could acquire a further 24% interest by obtaining project construction finance, or contributing the Ivan Plant. The owner of the property will maintain a 25% interest with a 15% interest free carried to commercial production and a 10% participating interest that is subject to dilution.

In September 2019, the Company entered into an agreement to acquire the remaining 49% interest in the 1-23 Claims (the "Transaction"). Under the terms of the Transaction, the Company will acquire the remaining interest for a total cash consideration of $12.0 million, payable as follows: (i) $6.0 million upon signing of the definitive agreement (paid); (ii) $3.0 million on the first anniversary of the definitive agreement; and (iii) $3.0 million on the second anniversary of the definitive agreement. In addition, the Company will grant a 1.5% NSR on all the claims to the seller and will transfer certain non-core mineral claims. The Company will retain an option to buy-back 1% of the NSR for $4.0 million at any time up to 24 months following the commencement of commercial production from the 1-23 Claims and retains a right of first refusal over the NSR.

On February 14, 2020, the Company signed the definitive agreement and made the initial $6.0 million payment. (See Note 3).

La Atomica claims ("LA")
Under the terms of the August 2017 La Atomica Letter of Intent ("LOI") (Option Agreement signed October 2017), the Company may acquire 100% of the La Atomica property by paying a total of $6.0 million as follows: $0.6 million (paid); $1.0 million on the 24-month anniversary date; and $4.4 million on the 36-month anniversary date. A 1.5% NSR is payable on the claims, with the Company retaining an option to purchase 0.5% out of the 1.5% NSR for $2 million at any time.

On November 14, 2019, the Company modified the La Atomica Option Agreement to split into two tranches the $1.0 million payment due on the 24-month anniversary payable as follows: (i) $0.5 million upon signing of the new agreement (paid); (ii) $0.5 million on the 4-month anniversary date of the modified option agreement, including an additional $0.02 million representing 0.75% interest rate per month from the date of the new agreement to March 14, 2020 (paid).

Atahualpa claims ("ATA") - Formerly known as Sierra Miranda claims
Under the terms of a January 2018 LOI, the Company acquired 100% of the claims of Atahualpa, Tarso, Sierra and Sorpresa immediately adjoining its Marimaca property for a total cash consideration of $6.0 million; $5.8 million was paid in 2018 and the balance of $0.2 million was paid in Q1 2019. A 2% NSR is payable on the claims under the original option agreement.

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

On February 1, 2019, the Company entered into an option agreement to purchase the outstanding 2% NSR for $2.2 million. The amount is payable in four tranches over 36 months as follows: $0.2 million upon closing (paid); $0.2 million on the 12-month anniversary of closing (paid); $0.2 million on the 24-month anniversary of closing; and $1.6 million on the 36-month anniversary of closing.

Olimpo y Cedro claims ("O&C") - Formerly known as Naguayan claims
Under the terms of a January 2018 option agreement, the Company may acquire 100% of the Olimpo y Cedro properties for a total cash consideration of $6.5 million: $0.2 million upon signing (paid in 2018); $0.3 million on the 12-month anniversary date (paid in January 2019); $0.7 million on the 24-month anniversary date; $1.75 million on the 36 month anniversary date; and $3.55 million on the 48-month anniversary date. A 1.5% NSR is payable, with the Company retaining an option to purchase 0.5% of the 1.5% NSR for $2 million within the first 12 months following the start of commercial production on the property. As these claims are not adjacent to the known mineralization, only acquisition costs are capitalized.

On November 28, 2019, the Company modified the option agreement to split in two tranches the $0.7 million payment due on the 24-month anniversary payable as follows: (i) $0.4 million on January 3, 2020 (paid); (ii) $0.3 million on April 13, 2020 (paid) (See Note 17). The second payment of $0.3 million included an interest charge of $0.05 million, representing 0.03% interest rate per day from the date of the new agreement to April 13, 2020.

Llanos and Mercedes ("Ll&M")
Under the terms of a May 2019 option agreement, the Company may acquire the Llanos and Mercedes properties for a total consideration of $2.0 million payable as follows: $0.05 million upon signing (paid in May 2019); $0.05 million on the 12-month anniversary (paid) (See Note 17); $0.1 million on the 24-month anniversary; $0.125 million on the 30-month anniversary; $0.125 million on the 36-month anniversary; $0.15 million on the 42-month anniversary, and $1.4 million on the 48-month anniversary. In addition, the Llanos and Mercedes claims are subject to a 1% NSR with a buyback option for the NSR of $0.5 million exercisable up to 24 months from the start of commercial production. As these claims are not located adjacent to the known mineralization, only acquisition costs are capitalized.

b) Other properties, Chile

El Jote
In May 2016**,** the Company optioned the El Jote copper project, located approximately ~ 30km NW of the Nora plant and 58km NE of the port of Chañaral in the III Region of Chile. Under the terms of the agreement, the Company may acquire a 100% interest in the property by completing the following option payments totalling $3.0 million; $0.57 million (paid) and $2.43 million to be paid starting in May 2019. The final payment of $2.43 million may be made in eight equal instalments of $0.3 million plus interest at LIBOR, and the Company may start production with the first instalment payment. A 1.5% NSR is payable, which can be repurchased for $1.5 million at any time.

On July 19, 2019, the Company renegotiated the terms of the remaining instalments in the option agreement. Whereby the final total payment will be $3.26 million. Under the terms of the amended agreement, the Company may acquire a 100% interest in the property by completing the following option payments; $0.57 million (paid) and $2.69 million to be paid in eleven installments as follows: $0.12 million on the signing of amended agreement (paid); $0.12 million on the 7-month anniversary (paid); $0.12 million on the 10-month anniversary (paid) (See Note 17); $0.18 million on the 14-month anniversary, $0.18 million on the 18-month anniversary; $0.18 million on the 22-month anniversary; $0.18 million on the 26-month anniversary; $0.18 million on the 30-month anniversary; $0.18 million on the 34-month anniversary; $0.18 million on the 38-month anniversary; $1.10 million on the 42-month anniversary.

7 Accounts payable and accrued liabilities

	March 31, 2020	December 31, 2019
Accounts payable	810	1,073
Accrued liabilities	652	713
	1,462	**1,786**

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

8 Other debt

	March 31, 2020	December 31, 2019
Greenstone and other shareholder loans (a)	20,760	17,996
ProPipe instalment (b)	496	478
Marimaca acquisition debt (c)	5,147	-
Lease	44	-
Total other debt	**26,447**	**18,474**
Current portion	(24,018)	(18,474)
Non-current portion	**2,429**	**-**

a) Greenstone and other shareholders loans

SCM Berta Facility

In April 2018, SCM Berta, a wholly-owned subsidiary of Marimaca Copper, entered into a $12.0 million financing arrangement whereby an affiliate of the Company's largest shareholder, Greenstone Resources L.P. ("Greenstone"), provided a convertible loan to SCM Berta (the "SCM Berta Facility"). The SCM Berta Facility is a secured loan, convertible into a 75% interest in Marimaca Copper's wholly-owned subsidiary Rising Star Copper Ltd. ("RSC"), which is the ultimate parent of SCM Berta. The SCM Berta Facility had a 60-day interest free period, followed by a 15% annual interest rate compounded monthly. In Q1 2020, Greenstone and the Company agreed to extend the conversion notice to August 12, 2020 and the maturity and conversion dates to August 17, 2020. The conversion feature of the SCM Berta Facility represents an embedded derivative, as the conversion option is at the discretion of the lender. The Company determined that the derivative had a nominal value as at March 31, 2020 and December 31, 2019.

The SCM Berta Facility is a non-recourse loan to Marimaca Copper and is limited to RSC and its subsidiaries.

As at March 31, 2020, the Company has a 100% ownership in RSC and owed $12.0 million (December 31, 2019 - $12.0 million) plus accrued interest of $3.6 million (December 31, 2019 - $3.0 million) in respect of the SCM Berta Facility. loan is 15%.

SCM Berta Working Capital Loan

On September 12, 2018, SCM Berta entered into a credit agreement with an affiliate of Greenstone for an eleven-month $10.0 million secured loan facility (the "SCM Berta WC Loan"). The eleven-month SCM Berta WC Loan had an initial annual interest rate of 12% for the first 90 days, followed by a 15% annual interest rate for the remaining period, compounded monthly. As of March 31, 2020, the current annual interest rate is 17% and the Company owed $2.0 million in principal, $0.9 million in accrued interest and $0.2 million in arrangement fees. The maturity date of the SCM Berta WC Loan was originally August 12, 2019 and in Q1 2020, Greenstone and the Company agreed to extend the maturity date to August 12, 2020.

The SCM Berta WC Loan is a non-recourse loan to Marimaca Copper and is limited to RSC and its subsidiaries.

If necessary, further funds may be drawn under the SCM Berta WC Loan to cover costs related to care and maintenance expenditures and to assess the potential for a long-term development plan for the Nora processing facilities.

Marimaca Copper Working Capital Facility

On March 5, 2020, the Company signed a working capital facility with Greenstone and Tembo for a twelve-month $6.0 million loan to cover working capital and general operating costs (the "Marimaca WC Facility"). The Marimaca WC Facility has a fixed annual interest rate of 12% compounded quarterly and a 3% arrangement fee on the aggregate of the principal amounts drawn under this Marimaca WC Facility which are payable at maturity. The maturity date is March 25, 2021. The Marimaca WC Facility is a non-revolving-unsecured loan.

As of March 31, 2020, the Company owed $2.0 million in principal, $0.06 million in accrued interest and arrangement fees.

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

b) ProPipe instalment

The SCMB facility was conditional on Coro acquiring the 35% minority interest in the Berta Mine for an initial upfront payment of $0.5 million (paid May 2018), with three future instalments of $0.5 million falling 12, 18 and 24 months after the initial payment. The Company also agreed to pay an outstanding loan balance of $0.25 million to ProPipe (paid in April 2018). In 2019, the Company paid the first two of the three outstanding instalments for total payments of $1.0 million. As of March 31, 2020, the amortized loan balance is $0.5 million.

c) Marimaca acquisition debt

On February 14, 2020, the Company acquired the remaining 49% interest into 1-23 Claims for a total cash payment of $12.0 million (See Note 3). The sellers agreed to transfer their 49% interest in the 1-23 Claims on the execution date of the definitive agreement. The Company paid the initial $6.0 million upon execution of the definitive agreement and recorded the fair value of the remaining two instalments as a loan.

The fair value of the future instalments was estimated to be $5.1 million using an annual discount rate of 12% for two years. As at March 31, 2020, included under current portion of other debt is $2.7 million in principal and accumulated interest related to the second instalment and $2.4 million in principal and interest is included under non-current portion of other debt. The book value of the loan is $5.1 million.

9 Restoration provision

	March 31, 2020			December 31, 2019
	Nora	**Ivan**	**Total**	**Total**
Balance, beginning of the period	1,415	4,859	6,274	6,742
Accretion expense	6	23	29	148
Reclamation revaluation	-	-	-	549
Disposal	-	-	-	(1,165)
Less curent portion	**-**	**(964)**	**(964)**	**(960)**
Balance, end of the period	**1,421**	**3,918**	**5,339**	**5,314**

In calculating the present value of the restoration provisions as at March 31, 2020, management used risk-free rates between 1.6%-1.95% and inflation rates of 2.02%-2.12%. The undiscounted cash flows, before inflation adjustments, estimated to settle the restoration provisions are approximately equal to the discounted cash flows. Due to the nature of closure plans, cash expenditures are expected to occur over a significant period of time with the majority of the expenditures expected to as follows: Nora plant within 5 years and Ivan plant in 1 to 22 years. No changes to the retirement plans were identified to reflect the impact of the COVID-19 pandemic, but the Company will continue to closely monitor future inflation rates and other variables which may result in adjustments to the carrying value of the restoration provisions. (See Note 2).

Nora

As at March 31, 2020, Nora's restoration provision of $1.4 million consists primarily of costs associated with reclamation and closure activities for the Nora plant. These activities include costs for disposition of chemical materials, earthworks, and the dismantling and demolition of structures.

The Company was awarded and obtained the approval of the DIA, which provides for an extension of the operational life of the Nora plant (See Note 5) and is currently negotiating reclamation bonding requirements with respect to the Nora plant with the relevant authorities.

Ivan

As at March 31, 2020, Ivan's undiscounted restoration provision totalled $4.9 million which consists of costs associated with reclamation and closure activities for the Ivan plant and mine site. These activities include costs for disposition of chemical materials, earthworks, and the dismantling and demolition of structures.

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

10 Common shares

Share consolidation
On May 27, 2020, the Company completed a share consolidation of its share capital on the basis of twenty-five (25) pre-consolidation shares for one (1) post-consolidation share (the "Consolidation"). As a result of the Consolidation, the 1,608,946,194 common shares issued and outstanding as at the date of the consolidation were consolidated into 64,357,848 common shares. All references to the number of shares, options and per share amounts presented have been retroactively restated to reflect the Consolidation (post-consolidation basis).

Authorized
The Company has an unlimited number of authorized common shares without par value.

Issued
As of March 31, 2020, the Company had 64,357,848 common shares issued and outstanding (December 31, 2019: 64,357,848 common shares)

11 Stock options

The Company has a stock option plan that permits the granting of stock options to directors, officers, key employees and consultants. Terms and pricing of options are determined in accordance with the plan. A total of 10% of the issued and outstanding common shares of the Company may be allotted and reserved for issuance under the stock option plan.

	March 31, 2020		December 31, 2019	
	Number of options	Weighted average exercise price C$	Number of options	Weighted average exercise price C$
Outstanding - December 31	1,615,750	2.73	2,054,616	2.75
Granted	-	-	448,000	1.70
Exercised	-	-	(307,759)	0.88
Expired	(41,612)	1.73	(504,551)	3.14
Forfeited	-	-	(74,556)	1.73
Outstanding - March 31	**1,574,138**	**2.76**	**1,615,750**	**2.73**

At March 31, 2020, the following stock options were outstanding:

Number of options outstanding	Number of options vested and exercisable	Exercise price C$	Weighted Average Remaining Life in Years
247,074	247,074	0.78	0.88
360,000	240,000	1.50	2.44
228,869	140,442	1.73	2.53
52,016	17,339	1.93	3.68
260,078	260,078	2.13	2.20
80,000	-	2.50	4.01
8,000	2,667	2.75	4.07
338,101	135,241	3.85	1.36
1,574,138	**1,042,840**		

In Q1 2020, no stock options were granted or exercised and 41,612 stock options expired with a weighted average price of C$1.73. Stock options are valued using the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted:

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

	March 31, 2020	December 31, 2019
Risk-free interest rate	-	1.5%
Expected life	-	5 years
Expected volatility	-	109% to 111%
Expected dividend	-	0%

Subsequent to March 31, 2020, the Company issued 440,000 stock options to certain directors and to the Company's VP of Corporate Development & Investor Relations (See note 17)

During the three months ended March 31, 2020, total share-based compensation expense was $0.05 million (Q1 2019 - $0.1 million).

12 Exploration expenditures

	Three months ended March 31, 2020		
	Marimaca District	General	Total
Drilling & trenching costs	187	157	344
General & administration costs	74	246	320
Property investigations	-	(22)	(22)
Total	**261**	**381**	**642**

	Three months ended March 31, 2019		
	Marimaca District	General	Total
Drilling & trenching costs	3	987	990
General & administration costs	103	482	585
Property investigations	-	(13)	(13)
Total	**106**	**1,456**	**1,562**

a) Marimaca District, Chile
The Marimaca District is a large exploration area of interest, located 25 kms east of the port of Mejillones in the II Region of Chile. Exploration activities in the Marimaca District include property exploration expenditures, costs associated with the Marimaca project and other wholly-owned projects that are not adjacent to the Marimaca project but may potentially be added to mineral reserves in the future. As the Company continues to conduct exploration activities on adjacent properties to the Marimaca project, which may include drilling, the overall potential of the Marimaca District continues to be evaluated.

For the three months ended March 31, 2020, certain exploration related expenses were capitalized and included under exploration and evaluation assets (See Note 6) with district exploration expenses being expensed and included in exploration expenditures in the statement of loss and comprehensive loss.

b) General, Chile
General exploration on other properties outside the Marimaca District, such as Ivan and el Jote, comprise the following: (i) $0.2 million in drilling costs are related to the Ivan property; and (ii) $0.25 million related to the allocation of project administration costs like office salaries and El Jote general expenses.

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

13 Related party transactions

Key management personnel

The Company considers directors and officers of the Company to be key management personnel. Compensation was as follows:

	Three months ended March 31, 2020	Three months ended March 31, 2019
Paid to related parties		
Short-term employee benefits	200	321
Share-based payments	47	155
Total	**247**	**476**

On March 5, 2020, the Company signed a twelve-month loan for $6.0 million with two of its major shareholders and on March 25, 2020 drew down an initial $2.0 million (See Note 8). As at March 31, 2020, included in current portion of other debt, was an amount of $20.8 million due to shareholders that includes principal, interest and arrangement fees (March 31, 2019- $19.5 million).

As at March 31, 2020, there was an amount of $0.03 million (March 31, 2019 - $nil) payable to certain directors related to directors' fees included in accounts payable and accrued liabilities.

14 Segmented information

The Company's reportable segments include its Marimaca project, its SCM Berta operation and its corporate operations. The Company's segments are summarized in the following table:

	Chile		Canada	
	Marimaca	SCM Berta	Corporate	Total
March 31, 2020				
Current assets	1,719	1,079	80	2,878
Non-current assets	53,090	6,568	285	59,943
Total assets	54,809	7,647	365	62,821
Current liabilities	4,045	20,096	2,303	26,444
Total liabilities	10,391	21,518	2,303	34,212
Net loss	1,468	1,222	288	2,978

	Chile		Canada	
	Marimaca	SCM Berta	Corporate	Total
December 31, 2019				
Current assets	9,116	1,451	66	10,633
Non-current assets	40,442	6,700	285	47,427
Total assets	49,558	8,151	351	58,060
Current liabilities	1,436	19,384	400	21,220
Total liabilities	5,335	20,799	400	26,534
Net loss	5,922	6,867	1,754	14,543

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

At March 31, 2020, total liabilities associated with SCM Berta include $18.8 million due to GSII which are non-recourse loans to Marimaca Copper and is limited to RSC and its subsidiaries.

15 Financial instruments

Financial instruments include cash and any contracts that give rise to a financial asset to one party and a financial liability or equity instrument to another party. As at March 31, 2020, the Company's carrying values of cash and cash equivalents, amounts receivable, accounts payable, accrued liabilities approximate their fair values due to their short term to maturity (See Note 2).

Credit risk

Credit risk is a risk that a financial loss will be incurred if a counterparty to a transaction does not fulfill its financial obligations as agreed. Financial instruments that potentially subject the Company to credit risk consist of cash and cash equivalents and accounts receivable. The Company deposits cash and cash equivalents with high credit quality financial institutions as determined by rating agencies.

Currency risk

Currency risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in foreign currency rates in the market. The Company's financial instruments are exposed to currency risk where those instruments are denominated in currencies that are not the same as the functional currency of the entity that holds them; foreign exchange gains and losses in these situations impact earnings.

The Company's significant subsidiaries are located in Chile and although their functional and reporting currency is the US dollar, they are subject to currency risk because they maintain cash, amounts receivable and prepaid and accounts payables and accrued liabilities in Chilean pesos (See Note 2). The parent company is in Canada and its functional currency is the Canadian dollar and also maintains cash and accounts payables and accrued liabilities in US dollars and Great Britain pounds ("GBP").

	Canadian $	Equivalence in US$	Canadian $	Equivalence in GBP$	Chilean $	Equivalence in US$
March 31, 2020						
Cash	52	37	-	-	602,306	801
VAT receivable	-	-	-	-	1,622,339	1,876
Amounts receivable and prepaids	-	-	-	-	419,806	490
Accounts payable and accrued liabilities	(15)	(12)	(44)	(25)	(912,352)	(1,195)
Total	**37**	**25**	**(44)**	**(25)**	**1,732,099**	**1,972**

	Canadian $	Equivalence in US$	Canadian $	Equivalence in GBP$	Chilean $	Equivalence in US$
December 31, 2019						
Cash	4	3	-	-	472,028	630
VAT receivable	-	-	-	-	1,618,556	2,162
Amounts receivable and prepaids	-	-	-	-	399,572	534
Accounts payable and accrued liabilities	(16)	(12)	-	-	(969,628)	(1,295)
Total	**(12)**	**(9)**	-	-	**1,520,528**	**2,031**

Based on the net exposures as of March 31, 2020, and assuming that all other variables remain constant, a change of 10% on the Canadian dollar, British pounds and Chilean peso against the US dollar would result in a change in the Company's net loss of approximately $0.2 million (Q1 2019 - $0.2 million). The Company manages and monitors the currency risk on a regular basis by keeping certain accounts to minimum when the currency has a devaluation effect or vice versa.

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of our financial instruments will fluctuate because of changes in market interest rates. Cash and cash equivalents and loans are the only financial instruments the Company hold that are impacted by interest. The SCMB Facility and the working capital loan contain fixed interest rate and therefore are not exposed to fluctuations in interest rates and the Company doesn't carry large amounts of cash in other currencies than US dollars.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with its financial liabilities. The Company is reliant upon equity issuances and loans as its sole source of cash. The Company manages liquidity risk by maintaining an adequate level of cash and cash equivalents to meet its short-term ongoing obligations and reviews its actual expenditures and forecast cash flows on a regular basis and matches the maturity dates of its cash equivalents to capital and operating needs (See Notes 1 and 2).

	Within 1 year	**2 to 3 years**	**4 to 5 years**	**Over 5 years**	**Total**
March 31, 2020					
Accounts payable and accrued liabilities	1,462	-	-	-	1,462
SCMB facility including interest	15,557	-	-	-	15,557
Working capital loan including interest and fees	3,146	-	-	-	3,146
Working facility loan including interest and fees	2,057				2,057
Marimaca acquisition loan including interest	2,718	2,429			5,147
Propipe loan	496	-	-	-	496
Reclamation provision	964	-	-	5,339	6,303
Leases	44	-	-	-	44
Total	**26,444**	**2,429**	**-**	**5,339**	**34,212**

	Within 1 year	**2 to 3 years**	**4 to 5 years**	**Over 5 years**	**Total**
December 31, 2019					
Accounts payable and accrued liabilities	1,786	-	-	-	1,786
SCMB facility including interest	14,982	-	-	-	14,982
Working capital loan including interest and fees	3,014	-	-	-	3,014
Propipe loan	478	-	-	-	478
Reclamation provision	960	-	-	5,314	6,274
Total	**21,220**	**-**	**-**	**5,314**	**26,534**

(Unaudited, expressed in thousands of U.S. dollars, except where indicated)

16 Commitments and option payments

The following table sets out the total commitments and option payments of the Company as of March 31, 2020.

	Nine Months 2020	2021	2023-2024	Total
Property option payments (note 6)				
El Jote *	298	529	1,630	2,457
La Atomica	4,400	-	-	4,400
Atahualpa	-	200	1,600	1,800
Olimpo y Cedro *	300	1,750	3,550	5,600
Llanos y Mercedes *	50	225	1,675	1,950
Total	**5,048**	**2,704**	**8,455**	**16,207**

* See Note 17 for subsequent payment details.

17 Subsequent events

a) Options issued

On April 21, 2020, the Company granted a total of 440,000 stock options to certain directors and a consultant with a weighted average exercise price of C$1.25 for 5 years. The fair value of the stock options granted was C$0.4 million.

The options will vest in three tranches, being 1/3 on the date of grant and 1/3 on the first and second anniversaries of the date of grant. The options were valued based on the Black-Scholes option pricing model using the following weighted average assumptions to estimate the fair value of options granted: stock price C$1.25, exercise price C$1.25, 5 years expected life, 99% volatility and a 1% risk-free interest.

b) Option agreement payments

The following payments were made to the following option agreements:

- On April 13 2020, the Company paid $0.3 million related to the Olimpo y Cedro option agreement; and
- On May 6, 2020, the Company paid $0.05 million related to the Llanos and Mercedes option agreement.

On May 15, 2020, the Company received approval for the deferment of the $0.12 million instalment due in September 2020 related to the El Jote option agreement.

c) COVID-19

The impact of COVID-19 has resulted in significant declines in the spot price for copper and other base metals, increased and significant volatility in stock markets, government imposed restrictions and other economic negative implications. The impact of these conditions to the Company are not readily determinable. However, these conditions could have a material impact on the Company's forecasted exploration work and the Company's financial position, results of operation and cash flows. The Company's liquidity and ability to continue as a going concern may also be impacted.